



THE ART & SCIENCE OF GRANT WRITING TRAINING: ORGANIZATIONAL DEVELOPMENT MODULE

**U.S. Department of Housing and Urban Development
Office of Faith Based and Neighborhood Partnerships**

ORGANIZATIONAL DEVELOPMENT

The 501(c)(3) Organization and Fundamentals for Nonprofit Boards

If you have an existing organization that wants to begin providing a program or community service (for example - a church that wishes to operate a day care) you should look at establishing a separate legal entity to conduct the program. This protects both organization

from liability and offers some distance between the founding organization and the new service delivery organization.

Does My Organization Need A 501(c)(3) Designation?

- Yes
- Establishes protective layer between your church, mosque, temple and the *legal responsibilities* associated with provision of social services.

The form of nonprofit most are familiar with is the nonprofit corporation. The difference is listed on the adjacent slide.

If you plan to have your organization meet an ongoing community need, or provide a long term service, you should incorporate by filing papers in your state.

One major benefit for obtaining 501(c)(3) status by the IRS is that it may enable you to operate with a tax-exempt status. To qualify you must serve a need that is religious, educational, charitable, scientific or literary in nature. If the IRS grants 501(c)(3) status to your nonprofit, it will send you a determination letter. But, be sure to keep the

What is a Nonprofit Organization Anyway?

A good way to look at a nonprofit is to compare it to a for-profit organization.

For-Profit Corporations

Owned by stockholders
Generate money for the owners
Success is making a sizable profit

Board members are generally paid
Money earned over and above expenses is kept as profit and distributed to owners
Usually not exempt from paying federal, state and/or local taxes

Nonprofit Corporations

Owned by the public
Serve the public
Success if meeting the needs of the public

Board members are unpaid volunteers
Money earned over and above expenses is retained and spent on meeting public need
Can often be exempt from federal taxes and some other state/local taxes

Formal Nonprofit Corporations

Incorporate as a separate, legal entity.

Benefits of incorporation include:

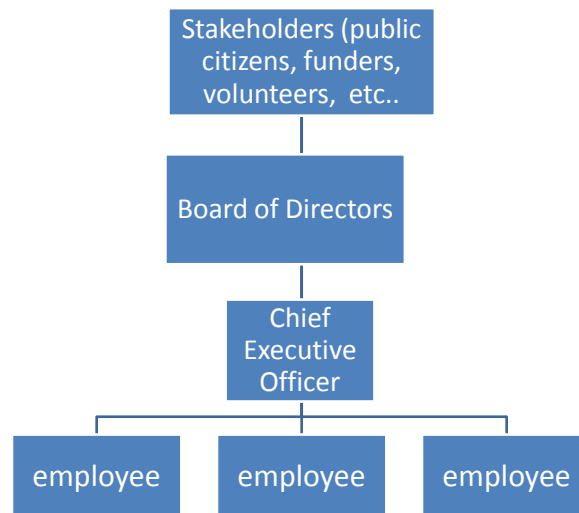
- Own property and bank account
- Enter into contracts
- Continue as an organization after founders are no longer involved
- Conduct tax exempt activities
- Be eligible for tax deductible donations
- Conduct operations for which personal liability is limited

designation secure with our records. Note that all nonprofits must pay employment taxes.

Depending on the nature of the mission of your non-profit, it might also be granted tax-deductable (or charitable) status. Tax deductible means that people can deduct their contributions to your organization's from their federal tax obligation (and sometimes state taxes are also affected.) Tax deductible status is usually granted to nonprofits that serve needs in regard to: the arts, charitable, civic affairs, education, the environment, health and social services,

literary, scientific and religious matters.

Typical Structure of a Nonprofit Organization



A small nonprofit might have a part-time or full time CEO, either as a paid or volunteer position. If the nonprofit has staff other than the CEO, then the CEO supervises the other staff members who also might be PT or FT staff and in paid or volunteer positions. The CEO reports to the Board of Directors comprised of volunteers, and the Board members

supervise the CEO. Further information on Board responsibilities is provided later in this section.

- The heart of the matter is leadership and management. At the heart of a successful nonprofit are an effective CEO and Board of Directors. They must work as a team with vision, skill, and sufficient resources to accomplish the organization's mission. While leadership is shared, management rests with the CEO. The Board is responsible for assessing the work of the CEO and assist in strategic decision making.
- Values are the bottom line. Values are the driving force in a nonprofit. The bottom line is the moving to accomplish the mission of the organization. This can be difficult for some organizations to deal with. Deciding on with programs to offer, what priorities are most important, how to maintain and retain staff? All of these are questions the organization will face.

Unique Culture of Traditional Small Nonprofits*

- **The heart of the matter is leadership and management**
- **Values are the bottom line**
- **Nonprofit personnel are often diverse**
- **Problems are often complex for small nonprofits**
- **Inadequate funds to pay for experienced leadership**

- Nonprofit personnel are often diverse. Diversity is reflected not only through different races and ethnic groups, but also by different values and perspectives. Nonprofits benefit from this

diversity but it must be managed in a way to cultivate the exchange of ideas and be open to a wide variety of perspectives.

- Most small nonprofits have small staff and small budgets (\$500,000 or less.) This compounds the problems they face, especially given their charters and the magnitude of community needs that they deal with.
- Lack of funds to pay for and retain experienced leadership will always be a challenge for a new or small nonprofit. Often hard work with little career development opportunity encourages

turnover. Once experienced, retaining CEO's and highly skilled staff can be difficult.

Unique Culture of Traditional Small Nonprofits continued..*

- **Lack of managerial training is problematic for small nonprofits**
- **Chief Executives wear too many hats**
- **Nonprofit is too small to justify or pay for expensive outside advice**
- **Building internal capacity is time consuming**
- **Nonprofits continue to need low-cost management and technical assistance**

*Adapted from Sandra Larson, previous Executive Director of the Management Assistance Program for Nonprofits, St. Paul and cited in "Field Guide to developing and Operating Your Nonprofit Board of Directors" by Carter McNamara, published by Authenticity Consulting, LLC.

- Lack of managerial training can cause agencies difficulties. Many nonprofit managers rise through the ranks of the organization and can often have high levels of technical skills. These same individuals many not have the management skills to run an entire operation. Training and consultation with other leaders and managers can aid new manager's transition more effectively into leadership.

- The CEO of a small NP often needs to be an expert in planning,

marketing, information management, telecommunications, property management, personnel, finance, fundraising program design and evaluation. Often small organizations will need to seek outside assistance from other experts and specialist from time to time to perform some functions that the CEO cannot handle.

- Nonprofits may hesitate spending money for outside experts or consultants. This can be seen as diverting valuable dollars away from direct services. Low-cost volunteer based assistance can be an option for organizations in need of professional assistance.
- Building internal capacity will take time. Repeatedly seeking help from outside experts is not a sign of failure, but rather it is a sign of growth – a new "need to know" has surfaced.
- Nonprofits provide valuable community assets and they must be effectively managed. There will always need to reach out to community experts who can assist with them as they grow and mature. Community partners who can assist with; training of personnel, sustainability, board development, fundraising, and program design will be invaluable to an organization seeking long term viability.

Is My Organization Prepared?

Is my organization **READY** to respond to a community need?

- **Conduct a market analysis to find out if your clients really need YOUR services.**
- **Are current nonprofits already addressing the public need?**
- **Look at all options, including fiscal sponsorships before starting a new organization.**

Are you sure the need that you perceive in the community is real? If no other nonprofit is addressing the needs you see, is there an underlying reason? Make sure you perform upfront homework to test whether the program or services you plan to offer are truly needed by your target group and that such resources will be utilized.

Are current nonprofits already addressing public need? If you are the very beginning of organization development think carefully before starting a nonprofit to meet a need that

is already being met by another agency. If you do, you will be competing with existing organizations for clients and resources. You would be advised to collaborate with existing organizations to address the needs of the target population you plan to serve.

Fiscal sponsorships mean that chartered organization as a the steps of setting up the could operate your under a sponsoring sponsoring nonprofit administrative support sharing its tax exempt

- Do We Know
What We Need To Know?**
- *A Nonprofit organization is a business.*
 - *Should be operated according to sound business principals.*

you would not create a formal corporation and go through organization. Instead, you program as a program organization. The could provide for your program such as and tax deductible status.

There are other sections in strategic planning and fiscal

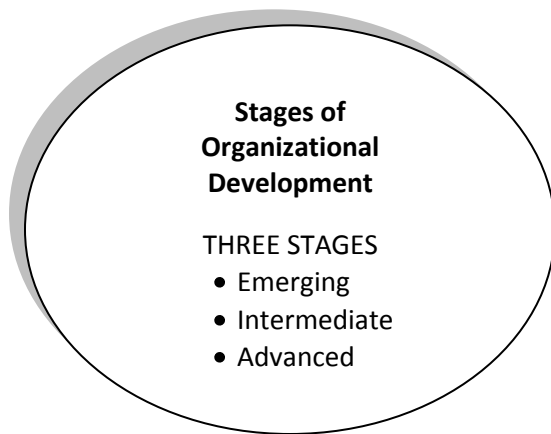
this workbook that addresses management.

Having a strong business model is essential for ensuring you will be successful in conducting your day to day operations. There are many ways to obtain advise on creating a business plan. You should contact your local SBA office to see what they might have to offer. In addition there are references and resources in this workbook.

Is My Organization Prepared?

Has my organization **SET** foundational pieces in place?

- **Have you conducted a strategic planning session?**
- **Do you have a structure for program evaluation?**
- **Are you fiscally sound?**
- **Have you addressed the strength of your board and is it strong and operating well?**



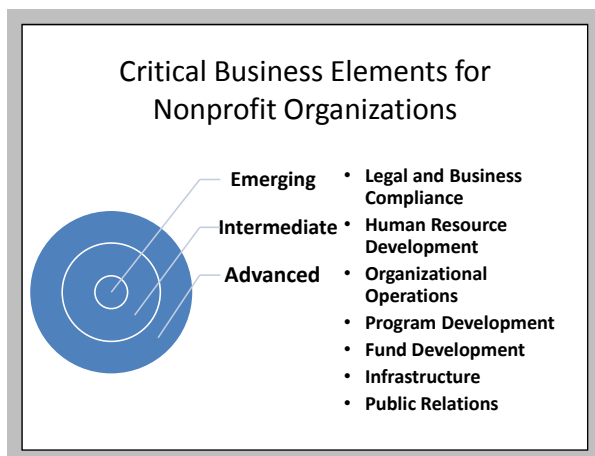
Stages of Development

An organization's stage of development is determined by the work *completed* in getting organization established.

- Includes, not limited to; state charter, 501(c)(3) designation, business policies, strategic plan, etc.

You will be able to know if your organization is emerging, intermediate or advanced by looking at what has been accomplished by your nonprofit.

The length of time you have been in business does not necessarily reflect what stage you are in. If you have been an organization that simply holds meetings for networking purposes, you may not have taken on program development or even had the organization fully chartered. The work completed determines where you are.



We previously discussed the incorporation of your nonprofit. In addition, there needs to be a clear vision, mission and values that guide the organization and forms the basis for deciding what activities it will sponsor.

The Mission Statement describes the overall purpose of the organization. The vision is the ultimate result

of your work and the values are the core beliefs that guide the actions taken.

Intermediate Organizations conduct on-going Board training and Advanced Organizations ensure assessments of the Board are conducted annually or on a regular basis.

A. Legal And Business Compliance

- (E) State and Federal incorporation
Board member identification
Vision, mission, values
- (I) Annual reporting requirements
Board Training
- (A) Annual assessments
Functioning board

B. Human Resource Development

- (E) Board Training, initial staff needs identified
- (I) Critical staff hired – Employee policy and procedures drafted – Job descriptions developed
- (A) Staff training and retention planning

director can be working with the board to draft the plans and seek the necessary resources to begin offering services to the target population.

- Advanced Organizations have an established plan to hire, train and retain employees. Personnel policies and job descriptions are fully developed.

- Emerging Organization conduct training for their board. We will aspects of creating and sustaining a well functioning board in the final section of this training.

- Once established an organization seeks to gather sufficient resources to hire a paid director who can bring the nonprofit into another level. Once on board, the

C. Organizational Operations

- (E) Orientation to strategic planning
Orientation to management systems
- (I) (A) Written strategic plan
Establish(ed) management systems

Emerging nonprofits should undertake strategic planning early on. Strategic planning identifies where the organization is and how it will get to the next stage of development. It helps organizations create a clear path to following and makes all stakeholders aware of the strengths and weaknesses of the organization.

D. Program Development

- (E) Orientation to:
 - program development
 - Partnerships
 - collaborative relationships
- (I) Identify 1-2 programs to implement
 - Develop *outcome* program evaluations
- (A) Program implementation
 - Integration of evaluation standards into program design

Intermediate organizations should work to draft a written strategic plan and utilize it for planning the actions and steps they take as they conduct their work.

Advanced organizations use their plans to guide their activities and have an established process for updating their plans on an as needed basis.

Nonprofit organizations are driven to perform a service to meet a perceived community need. Having a well organized program is critical for ensuring the work done will meet expectations.

Emerging organizations need to figure out how to conduct their basic program. The who, what, where and how of the service delivery system needs to be defined. What partnerships need to be established to make the program function well and what collaborations are needed to leverage resources need to be identified.

Intermediate organizations are actually able to put their plan into action and one or two programs begin operation. It is critical at this step to ensure there is a good evaluation strategy in place so that the results of the program can be documented.

E. Fund Development

- (E) Sustainability planning
 - Fund raising (non-grant revenue)
- (I) Development of organizational funding plan
 - Integration of evaluation standards into acquiring them
 - Familiar with donor policies/needs to acknowledge
- (A) Implement fund raising plan
 - Develop internal development personnel
 - Implement donor policies

Advanced organizations use the evaluation information to assess what is and is not working in their program. They then adjust their services to make them more effective.

From the very beginning organization must plan for their survival.

If there is no plan for financial sustainability, the organization will not remain viable overtime.

1. Must begin by comprehensively researching all organizations that provide funding for the work the organization plans to initiate early on and initiate as it develops.

2. Part of the plan to secure funding must also plan to acknowledge funding received from donors.
-Do they want publicity and do they want to receive periodic reports?

F. Infrastructure

- (E) Identify physical office needs
- (I) Establishment of fully functioning office
 - purchase equipment
- (A) Prepare for growth and expansion

Emerging organizations often have little assets and often partner with other organizations that are willing to share space and resources.

Once established and functioning, a nonprofit is better able to judge how and where it can develop its physical capacity to conduct its activities.

In time, as a nonprofit enters the advanced stage, it will assess space needs to determine when

space and system upgrades are necessary in order to perform its work and serve its constituents.

G. Public Relations

- (E) Introduction to organizational marketing
- (I) Development of a PR plan
- (A) Implementation of PR plan



Emerging organizations often do not realize how important it is to market their program. It can be difficult to “get the word out” and members of the board should assist in getting the work of the organization “positive press”

As programs begin to produce results,

the information should be used to promote the effectiveness of the nonprofit to meet a community need. Intermediate organizations establish a plan for promoting the work of the nonprofit. Increasing public exposure can also serve to increase financial support for the nonprofit.

Advanced Organizations are generally well recognized by the community and have an established PR plan that keeps its services in the public eye.

Fundamentals of Nonprofit Boards



The Fundamentals of Nonprofit Boards

Board Members, act as trustees to the organization, they are its stewards. A good steward attends to what is truly important for the good of their families and society. The duties of care, loyalty and obedience are the foundation

blocks of good stewardship.

Duty of Care – The obligation to exercise the care and skill that persons of ordinary prudence would exercise in dealing with their own property. They are to be attentive to details and regard the impact of their actions on others.

The Duty of Loyalty – Act with sole concern for the benefit of those the organization was founded to serve. It creates an onus on board members to avoid conflicts of interest and any actions that are, or could be construed as, producing some personal benefit as a result of action taken as a board member.

The Duty of Obedience board members are to be obedient to the mission, by assuring that the mission is carried out faithfully as expressed in the legal documents creating the organization. Ensure the organizations resources are used to achieve the public good, in accordance with the mission.

Functions of a Board

Leadership – Creating a community impact

Legal oversight – Meeting legal obligations

Operational oversight – Work is being done ethically, legally, and effectively in all areas

Board mechanics – Day to day work required for the board (recruitment, policy setting, etc.)

Functions of a board concern leadership and oversight of the legal and operations of the organization.

Leadership is about creating end results on behalf of communities served by the organization. Leadership comes closest to governance – leading, guiding, making decisions on behalf of others..

The other functions are about the means with which the organization does its work.

What is a Board?

- Legally responsible governing body
- Establishes mission, vision, strategic plan and operating policies
- Power of the Board is vested in all members, not individuals

All incorporated organizations must have boards

A board is legally charged with the responsibility to govern, or oversee, a corporation, whether for profit or not for profit.

The board establishes the plans and provides resources.

The Chief Executive Officer manages the resources to implement the plans, and the staff implements the plans.

The power of the board is vested in all Board Members, not individual members.

Assessing the Board's Growth

	Stage 1	Stage 2	Stage 3
	Emerging	Intermediate	Advanced
Style	Informal	Formal rules of operation & conduct	Structured & scheduled annual plan of board work
Activities	Organizing, creating structure, advocacy, member & support acquisition	Networking, acquiring community credibility, structuring services, developing revenue sources & profile of services	Strategic planning, structured oversight & activity monitoring; plans for further growth, board assessment & board development
Systems	Reactions, responds to ongoing developments changes plans as dictated	Operating standards & reporting of costs, revenue & services results	Comparative reports of revenue, expenses investments results & service results over time

This is a recap of some of the information we previously discussed.

As with any “Tope ten Lists” the board of a Nonprofit has ten key responsibilities.

Overall Board Responsibilities

10. Determine the organization’s mission and purpose.
9. Govern the organization by broad policies and objectives.
8. Select, appoint, support and evaluate a Chief Executive Officer
7. Ensure effective organization planning.
6. Ensure adequate resources
5. Manage resources effectively.
4. Determine and monitor the organization’s programs and services.
3. Enhance the organization’s public image.
2. Serve as a court of appeal.
1. Assess the Board’s performance.



The duties of a Board are to:

- Provide continuity for the organization
- Select, appoint and evaluate the Chief Executive Officer
- Govern the organization
- Aid in acquiring sufficient resources for the organization’s operations
- Account to the public

Board Member Responsibilities

- Actively Participate in all Board Operations
- Actively Monitor Organization’s Performance
- Ensure all Legal Requirements are Met
- Represent the Organization
- Fundraising – “The 3 G’s”



A Board Members responsibility is listed to the left.

The “3 G’s” refer to

Give money

Get money

or

Get off the Board!

Board Member Job Descriptions

- Board Member
- Board Chair
- Vice Chair
- Committee Chair
- Secretary
- Treasurer

See
Board job descriptions



Staff cannot function if every move they make is questioned by the Board. The Board is there to ensure operations are going forward. True accountability is proactive and preventative, micromanagement is reactive and fear based.

Do Not Solicit For New Members If Your Board Is Not Ready.

The board is accountable for the organization. If the organization is not effective, or is failing in some way, new members may not be the answer to the problem.

Adding new members does not fix a board facing problems, such as conflicts or poor

attendance; it just adds more people to the mix.

An organization is “unready to recruit if:

- | | |
|--|---|
| • Micromanagement by Board | • Organizational Planning is lacking |
| • Dysfunctional Board | • No written/practiced Board Policies |
| • No established Board Giving Policy | • No Board training / Orientations programs |
| • Board/Staff relations are in trouble | • No recruitment Criteria or Process |
| • CEO is the main Recruiter | |

Board Giving – if you have no policy requiring board members to donate to the organization to the Best of Their means, you are not ready for new members to join. This is not necessarily purely a fundraising issue; it is a “living by example” issue. A giving policy will let potential members know what is expected of them.

Problems between staff and the board can be systems of larger issues that need to be

addressed before more people are added.

- If your CEO recruits your Board members, you are not ready. Do you really want your CEO picking his or her boss?
- If your organization does not have a plan on how its work will impact the community, and plans for how it will ensure it has the capacity to create that impact, you are not ready.
- If you do not use your bylaws or board policies to guide the boards work, you should hold off on recruitment.

- Orientation is more than a walk through the facility and being handed a book. If you do not a an orientation process you are not ready to add new people.
- Warm blood and a pulse are NOT the requirements for a board member!

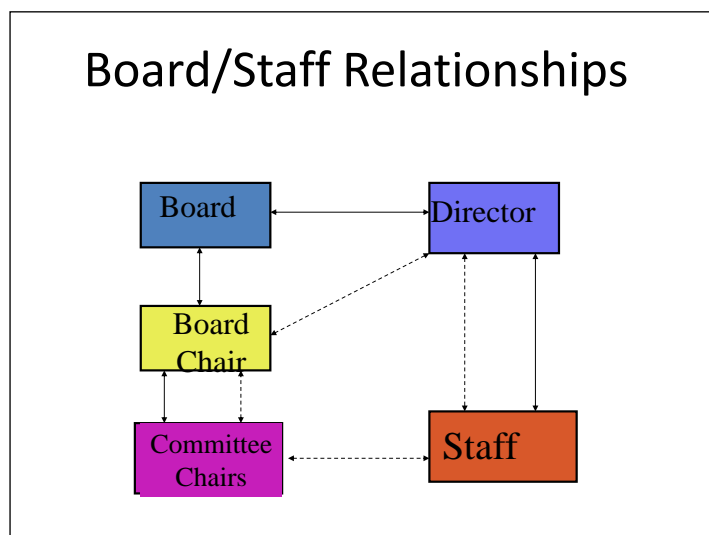
One of the few ways to identify and address the problem is for the board to conduct a self-evaluation.

A Board should evaluate itself once a year, whether there are apparent major problems or not. Members contribute a great deal of time, energy and expertise to the workings of their Board. They deserve to know how they are doing overall. Besides, it's a little hypocritical for Board members to evaluate the CEO and programs without evaluating the Board itself.

Board evaluation need not take substantial time and energy. You can use the table provided in the exercise with an organization. The table provided a rather basic form for board evaluation. But, if the evaluation is conducted wholeheartedly, the form should indicate how the Board is generally conducting its role.

Each member and CEO, if applicable, should complete the evaluation about four weeks before a Board retreat or an established due date.

Ideally, someone from outside the organization receives the assessments forms, collates the results and writes a report indicating the number of respondents and the overall ratings for each category. Comments provided by participants can be included if they are confidential.



Early on in the life of a nonprofit, the Board might do much of the work that staff would be doing in a more mature organization such as managing facilities or serving clients. As the organization grows, paid staff replaces board members in serving customers.

During this time there can be confusion as to who should do what. It is important therefore to establish policies that clearly communicate what the nonprofit expects the Board to be doing and the staff to be

doing.

Board members must know and perform their roles and responsibilities and the CEO and Staff should know what the Board Roles and responsibilities are well. The Board, CEO and staff should engage in yearly strategic planning. It is a given that Board members should have regular Board meetings

Relationships & Coordination

Board, CEO & Staff

- Board Administration & Support
- Program, Product & Service Delivery
- Financial, Tax, Risk & Facilities Management
- Human Resource Management
- Community & Public Relations
- Fundraising



CEO and Board Chair design agenda for Board meeting, and the agenda should be sent to members in advance of the meeting. The CEO should provide a regular, written report to Board members on the status of the organization.

The CEO and Board Chair should have a strong, ongoing, working relationship. Boards should conduct at least yearly, formal evaluations of CEO. A Board

should conduct, at least yearly, its own evaluation. There should be clear Board policies regarding roles and coordination of Board and staff. The staff should be allowed to make occasional presentations at Board meetings. Finally there should be an annual celebration of the organization's accomplishments with Board members and staff.

Articles of Incorporation give the Board its legal authority.

The By-Laws is the "Rule book" that guides the board in its "transactions". Non-adherence can result in legal implications for the board as a whole or individually

Board Policies and Procedures are in writing and adopted by the Board.

Always maintain a book of Board Resolutions.

How Boards Conduct Business

Governance Documents

- By-laws
- Articles
- Board Policies & Procedures
- Board Resolutions
- Board Handbook

Prepare a Board Members Handbook that includes the Governance documents and, at least:

- Board position descriptions
- Organization chart with names of key individuals
- Board member contact list
- List of board committees, their purpose and current mandates.
- Annual report and most recent financial audit
- Annual operating budget
- Annual board plan of work or calendar of meetings
- Strategic plan

Board Committees

- Utilize Board Members' Expertise
- Established for complex or numerous issues
- Set permanent committees for ongoing activities and ad hoc for short-term activities
- Recommendation to Board for approval
- Is not a decision-making body
- Hold scheduled and recorded meetings

Board Committees

1. Committees take full advantage of Boards member's expertise.
2. Establish committees when it's apparent that issues are too complex and/or numerous
3. For ongoing, major activities establish standing or permanent committees; for short-term activities, establish ad hoc committees.
4. Committees recommend policy for approval by the entire Board.
5. They do not supplant responsibility of each Board member.
6. Committees may meet monthly, two months, or every three months.
7. Minutes should be recorded for all Board meetings and for Executive Committee meetings.

Typical Committees

- Executive
- Board Development or Governance Committee with Nominating Committee
- Finance
- Personnel
- Programs & Evaluation
- Public Relations & Marketing
- Fundraising
- Ad hoc

Typical Committees:

Executive – oversees operations of the Board: often acts on behalf of the Board during on-demand activities that occur between meetings, and these acts are later presented for full Board for review; comprised of the Board Chair, other officers or committee chairs, often provides evaluations of the chief executive.

Governance Committee – ensures effective processes, structures and roles; plans the retreat,

sometimes includes role of nominating committee, keeps a list of potential board members, training opportunities and evaluates the Board.

Finance – Oversees development of the Budget, ensures accurate tracking/monitoring/accountability for funds; ensures proper financial controls; often led by Board Treasurer, reviews major grants and associated terms.

Personnel – Guides development, review and authorization of personnel policies and procedures; sometimes leads the evaluation of the chief executive, can sometimes assist with leadership or development matters.

Programs / Evaluations: Guides development of services delivery mechanisms; may include the evaluation of services; link between board and staff on program activities. Ensures programs and services are evaluated and produce desired outcomes based on established goals. Helps adjust programs so they perform at an optimum level.

Public Relations and Marketing – Oversees the organizations marketing plan, including identifying potential markets, their needs, how the organization can meet identified needs. It can represent the organization to the community; enhances the organization's image, including communications with the press.

Fundraising – Oversees development of the Fundraising Plan; identifies and solicits funds from external sources of support, works with the development Officer (if available) sometimes referred to as the Development Committee.

AD HOC – established to accomplish a specific goal and then cease to exist. Ex ethics committee, compensation, nominations, campaign, etc.

Organizing Committees:

Board committees are often organized in order to focus Board expertise on specific strategic goals. Delegating to a committee requires a Board to assign a group (or individual) to achieve a certain result by a certain date, but it leaves it up to the group how to achieve the result.

1. Ensure the committee has a specific charge or set of tasks to address
2. Have at least two Board members on each committee
3. Do not have a member serve on more than two committees at a given time
4. In each Board meeting, have each committee Chair report on the committee's work
5. Consider having non-board volunteers as members
6. Consider having staff serve on a committee
7. Chairs are often appointed by the Board Chair
8. If committees are working effectively, consider staggering Board member meetings with Committee meetings

Organizing Committees

- Guidelines for organizing committees
- Chartering/delegating committees



Chartering Committees

1. Board meeting minutes should record Board's decision to charter (establish) a committee.
2. Establish a Charter (Document) for members of a committee.
 - Intent of the committee
 - Summary as to why the committee was formed
 - Is it a standing or ad-hoc committee
 - List desired outcomes, activities and timeframes
 - Specify available resources
 - Outline any boundaries within which the committee should work.
 - Specify how committee is to coordinate with the Board
 - Specify terms of leadership and names of committee members.
 - What are the indicators of success for the Board?
 - Monitor Committee progress and performance.

Meeting Organization

Agenda

- **Sufficient notice with background**
- **Lists items for discussion**
- **Date, time, place**
- **Include prepared resolutions**



Agenda

- Provides the place, date and time
 - Lists the business items to be discussed and or voted on, the sequence of items and who is responsible for presentation of each
 - Resolutions prepared for vote prior to the meeting should be appended.
 - Agenda provided to Board members at least two weeks prior to the meeting
- Background materials provided to members at least one week before meeting.

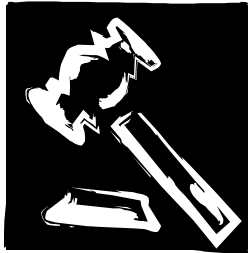
In decision making remember “the board is a team”. There is a common goal which is explicit and

Decision Making

- **Board as a Team**
- **Team Member Roles & Responsibilities**
- **Parliamentary Procedures**
- **Resolving Team Conflicts**



shared. There needs to be agreement to put team agenda ahead of personal agenda. There is a commitment to team to identify (and the organization rises or fails on team results.) members should be willing to sacrifice for the team’s benefit and there should be a willingness to share credit.



Roberts Rules of Order

Parliamentary procedures and information on Roberts Rules of Order can be viewed at the following website.

<http://www.robertsrules.org/>

Roberts Rules are used for conducting meetings and include:

- **Calling a meeting to order**
- **Making a motion**
- **Calling the question**
- **Adjourning the meeting**

Complete the group exercise.

Discussion Group

Exercise

Topic # 1 Chairperson as facilitator

Topic # 2 Stewardship

Topic # 3 Ethics and Conflicts of Interest



Group Exercise

Consider the following situations and questions for thought. Please be prepared to have one member of your group report out three major observations or suggestions.

Topic #1 Chairperson as Facilitator

At a Board meeting a motion is made to allocate money to a sister organization's community event. The organization has a tradition of contributing to similar events. The Board needs to make a quick decision; any money is available this year for the

allocation. Both new and experienced Board members are present at the meeting. Several opinions are presented regarding whether to provide funds for this event. Further, even members that are in favor of funding differ as to the appropriate dollar amount. The discussion is now out of hand.

What policies and/or procedures could the members have used to make this discussion run smoother? How would you resolve the situation?

Topic #2: Stewardship

Four months ago, the organization agreed to approve a partnership with another organization in order to co-sponsor an event. The organization supports the event financially and in spirit. The event is rapidly approaching; however, due to a funding concern, the event may be cancelled. The need for additional funding is brought to the Board. The Board cannot decide whether to provide additional funding because the original budget allocation has been exhausted.

Should the Board adhere to its original financial commitment only and disallow additional funding? Or should the Board's support of the mission prevail and additional funds be allocated? What policies and/or procedures could the members have used to make this discussion run smoother? How would you resolve the situation?

Topic #3: Ethics and Conflict of Interest

The Program Committee is in need of additional funds. One committee member presents an opportunity to the Board. The organization can buy mugs at a very good price from her company and sell them at a nice profit. (The committee member owns her own mug company and will benefit from the sale to more mugs.)

Should the Program Committee consider such a proposal? Conflict of interest may be seen solely as a Board responsibility. How does the obligation to avoid conflicts of interest filter throughout the organization through committees and other activities?

Resolving Team Conflicts

- Ask leader's advice
- Implement a Code of Conduct
- Make it a team issue for open discussion; "I have a concern.."
- Focus on issue not the person(s)
- Follow Board rules, policies & procedures
- Identify how conflict is affecting performance
- If you identify a problem, bring along a solution
- Get agreement from members on the solution identified and plan action with follow-up

One of the most effective means to minimize conflict between roles and responsibilities is to set up formal practices or procedures that help people understand the differences between organizational and personal issues.

Two final issues: Ethics and Risk

Ethics are the cornerstone of any organization. Without internal and external trust in the integrity of the organization, little can be accomplished.

Every Organization should have a clearly defined ETHICS / CONFLICT OF INTEREST policy in place at all times, not only when the recipient of grant funding.

Understand the needs of specific populations participating in programs and/or projects

- Minimize Harm
- Stimulate Higher Standards
- Respect for persons
- Non-Maleficence
- Justice

- Data Management, privacy and confidentiality

Conduct Risk/Benefit assessments and oversee:

- Informed consent procedures/forms
- Methods to recognize and respond to vulnerability of participants.
- Privacy and confidentiality
- Storage of information/records
- Who will have access
- Timeframe of storage of records and the disposal of information and records

Ethics When Working With Partners

- Establish ethical guidelines
- Explain ethical standards to recipients and others with whom you interact
- Guard against violations of ethics
- Report violations to the proper authority e.g.. if you observe a case of waste or fraud
- Respond to allegations of ethical misconduct
- Avoid the Appearance of Impropriety

Privacy and Confidentiality

- Identify how the information will be used and shared
- Obtain written release of information if that information will be shared or discussed outside the agency
- Allow participants to view their information
 - Identify timeframe to release information to participant
- Procedures if a participant feels their privacy is being violated
 - For Example - Health Insurance Portability and Accountability Act (HIPAA)

In Summary

High Quality Boards

- Remember your mission statement
- Recruit new members, have an orientation for them.
- Assess performance
- Recruit, hire, set compensation and evaluate organization leader as appropriate
- Ensure effectiveness (adhere to monitoring)

- Establish reporting schedules
- Manage assets and resources effectively
- Provide periodic training in governance and leadership
- Structure and use committees with specific tasks.

Insurance and Risk Management

- Protection is essential

ELEMENTS OF RISK MANAGEMENT

❖ Range of activities

- ✓ ANTICIPATING – know the kinds of risks situations faced by your business in general
- ✓ Know what kind and level of insurance may be required by grant program/agreement (contact funder, review NOFA & other agreements)
- ✓ CONTROLLING – Develop written standards and procedures for working within risk areas (such as, employees transporting clients in personal vehicles)
- ✓ Have emergency preparedness / business recovery plans in place for disaster, terrorism, vandalism
- ✓ AVOIDING – Ensure all steps have been taken to prevent risk situation from occurring (e.g.; staff background checks, licensing, voluntary inspections, etc.)
- ✓ Financing risk – have resources available to pay large sum if necessary

INSURANCE & RISK

❖ INSURANCE IS AN IMPORTANT TOOL FOR RISK FINANCING

- Trading uncertainty of large financial loss for certainty of a fixed premium
- Affordable mechanism for financing covered losses

- ❖ Start with risk assessment (exposure analysis)

INSURABLE RISKS

- ❖ GENERAL CATEGORIES

CLAIMS AGAINST AGENCY & STAFF

- ❖ SOME EXAMPLES

- ✓ Vehicle/driver incidents
- ✓ Professional liability
- ✓ Commercial general liability
- ✓ Improper sexual conduct/sexual abuse
- ✓ Directors & officers liability

INSURABLE RISKS

CLAIMS BY STAFF AND/OR VOLUNTEERS

- ❖ SOME EXAMPLES

- ✓ Workmen's comp & employer liability
- ✓ Accident & injury

CLAIMS TO REPAIR OR REPLACE PROPERTY

- ❖ SOME EXAMPLES

- ✓ General
- ✓ Crime coverage
- ✓ Major building & business systems

✓

Citation

Am I Covered For...? A Guide to Insurance for Nonprofits, Lai, Mary L., Chapman, Terry S., and Steinbeck, Elmer L., Consortium for Human Services, Inc. San Jose, 1992

The Nonprofit Risk Management Center, The Alliance For Nonprofit Management
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